GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2367
ANSWERED ON:03.12.2007
EXPORT OF MAN MADE TEXTILE FIBRE
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of TEXTILES be pleased to state:

(a) the quantity and value of man-made textile fibre exported during each of the last three years, Country-wise; and

(b) the steps taken by the Government to boost the export of man-made textile fibre?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): The value of man-made textiles fibre exported during 2004-05, 2005-06 and 2006-07 was of the order of Rs. 9214.25 crore, Rs. 9029.91 crore and Rs. 10684.16 crore respectively. Man-made textiles fibre was exported to over a hundred countries during these three years. Depending on the type of fibre exported, the exports were in various units such as Kgs., Square Metres or numbers.

(b): Various steps have been taken by the Government for the growth of textiles industry, which include: -

(i) 100% Foreign Direct Investment is allowed in the textiles sector under the automatic route.

(ii) The Government has de-reserved readymade garments, hosiery and knitwear from the Small Scale Industry (SSI) sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of the sector. The TUFS has been extended beyond 31.3.2007 and has been modified in consultation with the industry and approval of the Competent Authority w.e.f. 1st November 2007. The Scheme is now in operation. For the speedy modernisation of the textiles processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) A new `Scheme for Integrated Textile Parks` has been formulated by merging the `Scheme for Apparel Parks for Exports` and the `Textiles Centre Infrastructure Development Scheme`, in order to expand the production base of the textiles and garment sector.

(v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(vi) The import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

(viii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value- aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(ix) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

(x) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.